



GARY R. HERBERT  
Governor

SPENCER J. COX  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

August 24, 2016

Certified Return Receipt  
7015 0640 0001 4528 4328

Liberty Mutual Insurance Co.  
175 Berkeley Street  
Boston, MA 02117

Subject: Cancellation of Surety Bond Number \_\_\_\_\_ Nielson Construction, Nielson  
Construction Limestone Mine, S/049/0052, Utah County, Utah

Dear Sir or Madame:

The Utah Division of Oil, Gas and Mining (Division) received your letter dated August 17, 2016, regarding cancellation of surety bond \_\_\_\_\_ effective August 16, 2016 or "... the earliest effective date which is in compliance with the provisions of the bond." The earliest effective date in compliance with the provisions of the bond is November 21, 2016, 90 days from the Division's receipt of the cancellation notice.

The amount of the bond is listed in the cancellation notice as \$51,100.00, but the Division's records show the amount being \$55,100.00.

The Division also received a replacement surety bond which names "Staker and Parsons Companies dba Nielson Construction and Materials" as the principal. **This bond is not acceptable.** The operator is for this mine is Nielson Construction, and the bond must be in the name of the operator. While the Division was notified that Staker and Parson Companies acquired the assets of Nielson Construction, the operator is still Nielson Construction. The Division has not received an application to transfer the operation to another entity.

For these reasons, the Division is proceeding as if the bond will be cancelled in accordance with the provisions of the bond.

Under the terms of the bond, Liberty Mutual remains liable for reclamation of the existing disturbance. If the surety is not replaced by October 22, 2016, the Division will immediately issue a cessation order to Nielson Construction and demand that it commence reclamation. Failure of Nielson Construction to reclaim the mine within 30 days of issuance of the cessation order may result in the Division making demand on Liberty Mutual to either proceed with reclamation or to pay to the Division the amount of the bond. If Liberty Mutual





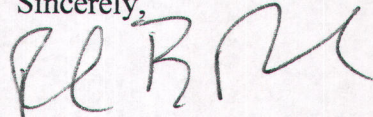
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fails to complete reclamation or make payment as requested, the Division may proceed to file a Request for Agency Action with the Board of Oil, Gas and Mining to seek forfeiture of the bond.

Please confirm that you remain responsible as surety for the reclamation of the existing disturbance. We also ask that you advise the Division immediately if there is any reason or if any conditions arise that may preclude you from continuing as surety for reclamation of the existing disturbance.

Thank you for your cooperation. If you have any questions, please feel free to call me at 801-538-5261.

Sincerely,

A handwritten signature in black ink, appearing to read 'PBK' followed by a stylized flourish.

Paul Baker  
Minerals Program Manager

PBB:pb

Enclosure Letter to operator dated August 24, 2016, and copy of surety

Cc: Wayne McCandless, Nielson Construction

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